

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re	)	
DELPHI CORP. <i>et al.</i> ,	)	Chapter 11
Debtors.	)	Case No. 05-44481 (RDD)
	)	(Jointly Administered)
	)	

**THIRD STIPULATION AUTHORIZING AND DIRECTING THE DELPHI FORMER  
OFFICERS AND EMPLOYEES ESCROW AGENT TO DISBURSE INTERIM  
PAYMENTS TO THE DELPHI FORMER OFFICERS  
AND EMPLOYEES FOR DEFENSE COSTS**

WHEREAS, on August 31, 2007, the parties hereto<sup>1</sup> (the "Parties") entered into a Stipulation and Agreement of Insurance Settlement (the "Insurance Settlement"), attached as Exhibit C to the Motion for Order Preliminarily Approving Settlement, Preliminarily Certifying a Settlement Class, Approving Forms and Methods of Notice, and Setting a Fairness Hearing (the "Motion for Preliminary Approval"), In re: Delphi Corporation Securities, Derivative and "ERISA" Litigation, 05-md-1725 (E.D. Mich.) [Docket No. 228] (attached to the December 7, 2007 Stipulation Authorizing and Directing the Delphi Former Officers and Employees Escrow Agent to Disburse Interim Payments to the Delphi Former Officers and Employees for Defense Costs [Docket No. 11354] (the "First Stipulation") as Exhibit A);

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<sup>1</sup> This Stipulation is entered into among Delphi Corporation, Delphi Corporation as Debtor in Possession, Delphi Trust I, Delphi Trust II (collectively, "Delphi"); J.T. Battenberg III, Milan Belans, John G. Blahnik, Alan S. Dawes, Paul R. Free, Peter H. Janak, Judith Kudla, and Catherine Rozanski (collectively, the Delphi Former Officers and Employees"); Robert H. Brust, Virgis W. Colbert, David N. Farr, Bernd Gottschalk, Susan A. McLaughlin, Oscar de Paula Bernardes Neto, Cynthia A. Niekamp, John D. Opie, Roger S. Penske, Donald S. Runkle, John D. Sheehan, and Patricia C. Sueltz (collectively, the "Delphi Officers and Directors"); and National Union Fire Insurance Company of Pittsburgh, Pa., Zurich American Insurance Company, Federal Insurance Company, Twin City Fire Insurance Company, American Casualty Company of Reading, PA, Arch Insurance Company, St. Paul Mercury Insurance Company, Great American Insurance Company, Allied World Assurance Company LTD, Endurance Specialty Insurance Ltd., and Starr Excess International (collectively, "Insurers").

WHEREAS, the Insurance Settlement provides for the creation of a fund for the defense costs of the Delphi Former Officers and Employees (the "Escrow Account"), administered by an escrow agent (the "Delphi Former Officers and Employees Escrow Agent");

WHEREAS, the Insurance Settlement provides that the Delphi Former Officers and Employees Escrow Agent may make payments prior to the Effective Date of the Insurance Settlement (as that term is defined in the Insurance Settlement), provided that: (1) the Delphi Former Officers and Employees provide to the Insurers an unsecured written undertaking (an "Undertaking") to repay any sums so paid if the Insurance Settlement does not become effective and it is later determined that the Delphi Former Officers and Employees were not entitled to the amounts paid; and (2) the Delphi Former Officers and Employees Escrow Agent is authorized to make such payments by an order of this Court either upon uncontested motion or stipulated order notwithstanding the automatic stay, to the extent it applies;

WHEREAS, upon the First Stipulation,<sup>2</sup> this Court entered an Order [Docket No. 11549] authorizing the Delphi Former Officers and Employees Escrow Agent to disburse up to \$1 million to the Delphi Former Officers and Employees prior to the Effective Date of Settlement (the "First Order");

WHEREAS, the Delphi Former Officers and Employees Escrow Agent disbursed funds pursuant to the First Order;

WHEREAS, on August 13, 2008, the Parties entered into a Second Stipulation Authorizing and Directing the Delphi Former Officers and Employees Escrow Agent to Disburse

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<sup>2</sup> The required Undertakings from the Delphi Former Officers and Employees seeking reimbursement were attached as Exhibits B-I to the First Stipulation.

Interim Payments to the Delphi Former Officers and Employees for Defense Costs (the "Second Stipulation");

WHEREAS, upon the Second Stipulation, this Court entered an Order [Docket No. 14094] authorizing the Delphi Former Officers and Employees Escrow Agent to disburse up to \$5 million of the principal amount of funds deposited into the Escrow Account, inclusive of any sums already disbursed, to the Delphi Former Officers and Employees prior to the Effective Date of Settlement (the "Second Order");


WHEREAS, several of the Former Officers and Employees continue to incur defense costs that require reimbursement; and

WHEREAS, the Insurance Settlement has not, to date, received the necessary court approvals to become effective;

NOW, THEREFORE, the Parties hereby stipulate that the Delphi Former Officers and Employees Escrow Agent be authorized and directed by the United States Bankruptcy Court for the Southern District of New York to disburse up to \$10 million of the principal amount of funds deposited into the Escrow Account, inclusive of any sums already disbursed, to the Delphi Former Officers and Employees to be used solely for defense costs as set forth in paragraph 10 of the Insurance Settlement.

IT IS SO STIPULATED this \_\_\_\_ day of April, 2009.

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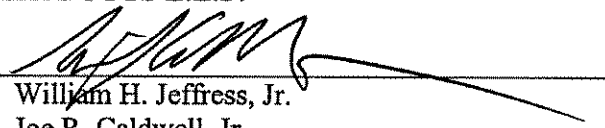
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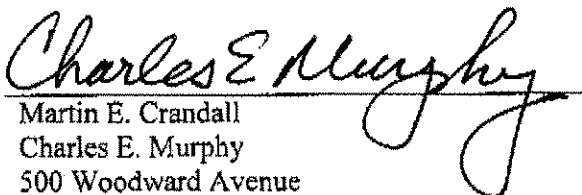
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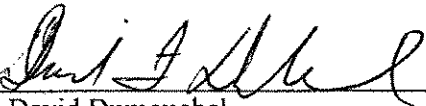
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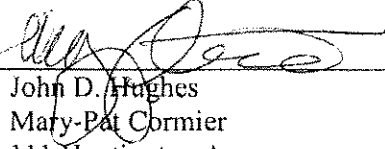
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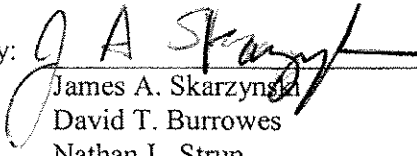
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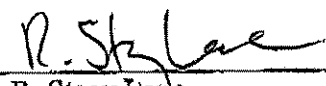
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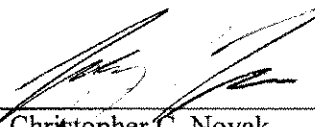
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